

FOR IMMEDIATE RELEASE

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GLENDALE APPROVES EXTENDED ARENA MANAGEMENT AGREEMENT WITH NHL

GLENDALE, Ariz. – Tonight the Glendale City Council approved a one year extension to its current Arena Management Agreement with the National Hockey League (NHL). The extended agreement allows for the team to remain in place for the NHL 2011-12 season; allows the NHL and staff additional time to complete the required agreement with an ownership group that will be committed to retaining the team in Glendale.

INFORMATION PERTAINING TO EXTENDING THE NHL/ARENA MANAGEMENT AGREEMENT

What is an Arena Management Agreement?

It is an agreement the city has had in place since the Arena opened in 2003 that allows an outside entity to operate and manage the facility. (Most multi-million dollar facilities such as the Arena use the expertise of an outside management group to maintain their building.) Simply put, a group is hired to maintain and operate the building 24/7. In this case, the NHL would manage and operate the Arena and the team for a second year in a row.

Why should the NHL be the Arena Manager for a second year in a row?

The Coyotes are the main anchor tenant for the Arena. Currently, the Coyotes are owned by the NHL, so having the NHL manage the facility, on behalf of the city, allows several opportunities:

- Commitment to keep the Coyotes in Glendale for another full season
- Additional time for the city and NHL to complete agreement with a qualified owner
- Protect the city's investment in Sports and Entertainment District
- Maintain the city's revenue stream to support Arena operations

What is the total cost for the management agreement?

It's the same amount as the 2010-2011 Arena Management Agreement between the city and the NHL – it is not to exceed \$25 million.

(more)

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Couldn't that \$25 million be used for other things in the city like building a new courthouse or a park?

No. Since the Arena is already built there are fixed costs to operate and maintain it that are already budgeted for the next fiscal year. That means, bills have to be paid, other events (concerts, trade shows, etc...) still have to be booked and Arena staff needs to be paid to work those events. The same can be said of other city owned property like fire stations and parks, where money each year is designated to keep them up. This past spring, during Glendale's budget season, Glendale's City Council gave preliminary approval for the city to allocate an Arena management fee for next fiscal year. That means, funding has already been allotted to maintain the Arena for next year.

What does the \$25 million require?

It is an arena management fee that requires the NHL to manage the Arena while assuring the team stays in Glendale as the primary tenant.

How does this ensure the Coyotes are in Glendale for another year?

The NHL has said it is committed to keeping the Coyotes in Glendale. Extending its Arena Management Agreement with the city for another year continues that commitment and allows the NHL to establish the team's schedule for the 2011-2012 season.

Will the city get this money back?

When a final owner is approved, the city will be in a position to initiate action to recover some of the funding invested during the interim period.